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July 1, 2002

BEFORE THE BOARD OF MILK CONTROL  
OF THE STATE OF MONTANA  
ANNOUNCEMENT OF CLASS I, II & III PRODUCER PRICES



COLLECTION

03 2002

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**PRODUCER CLASS I PRICE IN MONTANA**

REF: ARM 32.24.301(5)

**CLASS I PRICE FOR MILK TESTING 3.5%  
CLASS I BUTTERFAT PRICE PER POUND**

**\$13.17 /CWT  
\$1.17 /LB**

**EFFECTIVE AUGUST 1, 2002:**

The minimum price to pay milk producers, under ARM 32.24.301, is \$13.17 per hundred pounds of milk testing 3.5% butterfat, f.o.b. the milk distributor's plant.

When milk does not test 3.5% butterfat, compute the applicable price by applying a differential of 11.7 cents for each one-tenth of one percent butterfat above or below the midpoint of each producer payment. The value of one pound of butterfat utilized will be \$1.17.

**PRODUCER CLASS II PRICE IN MONTANA**

REF: ARM 32.24.301(6)

**CLASS II PRICE FOR MILK TESTING 3.5%**

**\$10.73 /CWT**

Average spray process dry milk solids  
price per pound = \$0.93375  
Multiplied by 8.2 x 8.2

\$7.65680

\$7.65680

Last quote of the month for Grade AA butter  
minus a differential of \$.0895 = \$0.96800  
Multiplied by 4.2 x 4.2

\$4.06560

+ \$4.06560

LESS a make allowance of 8.5% ( \$11.7224 X .085)

\$11.72240

- \$0.99640

**\$10.72600**

Rounded to the nearest whole cent = **\$10.73 /hundredweight.**

**CLASS II BUTTERFAT PRICE PER POUND****\$1.07 /LB**

Last quote of the month for Grade AA butter

minus a differential of \$.0895

= \$0.96800 X .111 )

= \$0.10745

Rounded to the nearest half cent

= \$0.107

Butterfat value per pound

for milk at 3.5% test:

\$1.07

Hundredweight price of milk testing 3.5%

LESS 3.5 pounds of butterfat at

\$1.07 per pound

= \$10.73

Value of 96.5 pounds of skim

- \$3.745

= \$6.985

CLASS II VALUE OF

ONE POUND OF SKIM

6.985 / 96.5 pounds)

= \$0.07238 /LB

**PRODUCER CLASS III PRICE IN MONTANA**

REF: ARM 32.24.301(7)

**CLASS III PRICE PER CWT FOR MILK TESTING 3.5%****\$9.18 /CWT**

3.5 pounds of butterfat

\$0.87 per pound =

\$3.045

96.5 pounds of skim

\$0.06355 per pound =

\$6.133

\$9.178 /CWT

**CLASS III BUTTERFAT PRICE PER POUND****\$0.87 /LB**

Last quote of the month for Grade AA butter

minus a difference of \$.0895

= \$0.96800

LESS 10%

- \$0.09680

\$0.87120

Rounded to the nearest whole cent

= \$0.87 per pound.

**CLASS III PRICE PER CWT FOR SKIM MILK UTILIZED****\$6.35510 /CWT**

Avg. spray process dry milk solid price/lb :

\$0.93375

Multiplied by 8.2

8.2

\$7.65675

LESS 17%

\$1.30165

\$6.35510

Rounded to the nearest whole cent

\$6.36 per hundredweight.

**BY ORDER OF THE MONTANA MILK CONTROL BUREAU**

Compiled by:

*Monte Nick*  
 Monte Nick, Bureau Chief  
 Montana Milk Control Bureau

## BREAKDOWN BY TEST FOR CLASS I, II &amp; III SKIM PRICES

CLASS I SKIM PRICE BASED ON \$13.17 FOR 3.5% MILK 96.5 LBS = \$9.075		CLASS II SKIM PRICE BASED ON \$10.73 FOR 3.5% MILK 96.5 LBS = \$6.985		CLASS III SKIM PRICE BASED ON \$9.18 FOR 3.5% MILK 96.5 LBS = \$6.133	
TEST	PRICE/LB	TEST	PRICE/LB	TEST	PRICE/LB
2.50	\$0.09308	2.50	\$0.07164	2.50	\$0.06290
2.55	\$0.09312	2.55	\$0.07168	2.55	\$0.06293
2.60	\$0.09317	2.60	\$0.07171	2.60	\$0.06296
2.65	\$0.09322	2.65	\$0.07175	2.65	\$0.06300
2.70	\$0.09327	2.70	\$0.07179	2.70	\$0.06303
2.75	\$0.09332	2.75	\$0.07183	2.75	\$0.06306
2.80	\$0.09336	2.80	\$0.07186	2.80	\$0.06309
2.85	\$0.09341	2.85	\$0.07190	2.85	\$0.06313
2.90	\$0.09346	2.90	\$0.07194	2.90	\$0.06316
2.95	\$0.09351	2.95	\$0.07197	2.95	\$0.06319
3.00	\$0.09356	3.00	\$0.07201	3.00	\$0.06322
3.05	\$0.09360	3.05	\$0.07205	3.05	\$0.06326
3.10	\$0.09365	3.10	\$0.07208	3.10	\$0.06329
3.15	\$0.09370	3.15	\$0.07212	3.15	\$0.06332
3.20	\$0.09375	3.20	\$0.07216	3.20	\$0.06335
3.25	\$0.09380	3.25	\$0.07220	3.25	\$0.06339
3.30	\$0.09385	3.30	\$0.07223	3.30	\$0.06342
3.35	\$0.09390	3.35	\$0.07227	3.35	\$0.06345
3.40	\$0.09394	3.40	\$0.07231	3.40	\$0.06349
3.45	\$0.09399	3.45	\$0.07235	3.45	\$0.06352
3.50	\$0.09404	3.50	\$0.07238	3.50	\$0.06355
3.55	\$0.09409	3.55	\$0.07242	3.55	\$0.06358
3.60	\$0.09414	3.60	\$0.07246	3.60	\$0.06362
3.65	\$0.09419	3.65	\$0.07250	3.65	\$0.06365
3.70	\$0.09424	3.70	\$0.07253	3.70	\$0.06368
3.75	\$0.09429	3.75	\$0.07257	3.75	\$0.06372
3.80	\$0.09433	3.80	\$0.07261	3.80	\$0.06375
3.85	\$0.09438	3.85	\$0.07265	3.85	\$0.06378
3.90	\$0.09443	3.90	\$0.07268	3.90	\$0.06382
3.95	\$0.09448	3.95	\$0.07272	3.95	\$0.06385
4.00	\$0.09453	4.00	\$0.07276	4.00	\$0.06388
4.05	\$0.09458	4.05	\$0.07280	4.05	\$0.06392
4.10	\$0.09463	4.10	\$0.07284	4.10	\$0.06395
4.15	\$0.09468	4.15	\$0.07287	4.15	\$0.06398
4.20	\$0.09473	4.20	\$0.07291	4.20	\$0.06402
4.25	\$0.09478	4.25	\$0.07295	4.25	\$0.06405
4.30	\$0.09483	4.30	\$0.07299	4.30	\$0.06408
4.35	\$0.09488	4.35	\$0.07303	4.35	\$0.06412
4.40	\$0.09493	4.40	\$0.07306	4.40	\$0.06415
4.45	\$0.09498	4.45	\$0.07310	4.45	\$0.06418
4.50	\$0.09503	4.50	\$0.07314	4.50	\$0.06422

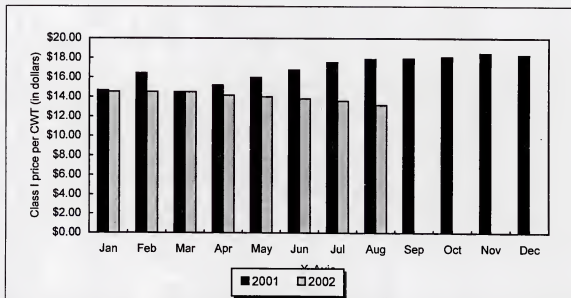
## PRODUCER CLASS I PRICE IN MONTANA

Charts below show a class I price comparison for 2001 and 2002

Statistics from the Montana Milk Control Bureau

Month	2001	2002	Difference	% Change
January	\$14.68	\$14.53	(\$0.15)	-1.02%
February	\$16.43	\$14.51	(\$1.92)	-11.69%
March	\$14.49	\$14.50	\$0.01	0.07%
April	\$15.20	\$14.17	(\$1.03)	-6.78%
May	\$15.99	\$14.02	(\$1.97)	-12.32%
June	\$16.76	\$13.81	(\$2.95)	-17.60%
July	\$17.54	\$13.58	(\$3.96)	-22.58%
August	\$17.89	\$13.17	(\$4.72)	-26.38%
September	\$17.95			
October	\$18.11			
November	\$18.48			
December	\$18.31			
Average	\$16.82	\$14.04	(\$2.09)	-12.29%

Prices are per hundredweight (CWT).

Completion of pooling (prior to audit) shows the producer quota blend prices to be:

MAY 2002: class I = \$8.45; class II = \$1.56; Class III = \$2.61; total = \$12.63

(calculations based upon utilization percentages of butterfat &amp; skim)